

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JANUARY 25, 2018

RECORDING OFFICE
CRITTER CONTROL CENTER

2018 JAN 25 A 10:31

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. SEC-2017-00052

v.

CRITTER CONTROL, INC.

Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Critter Control, Inc. ("Critter Control" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

Critter Control is a Michigan corporation doing business in the Commonwealth of Virginia ("Virginia"). Critter Control offers and sells franchises providing pest control services nationwide.

Critter Control was registered as a Virginia franchise between July 22, 1991 and June 14, 2013, when its registration lapsed with the Division. Since June 2013, Critter Control has not had a franchise registered with the Division. However, despite being unregistered, the Division alleges that in February 2015 and June 2017, Critter Control offered or sold pest control franchises to two different Virginia franchisees ("Virginia Franchisees") for operation in Virginia.

Further, the Division alleges that Critter Control failed to provide the Virginia Franchisees a Franchise Disclosure Document ("FDD") cleared for use by the Division in connection with the unregistered sale. A cleared FDD provides material information to

prospective franchisees in order for them to make an informed decision regarding the purchase of a franchise. As no properly cleared FDD was provided to the Virginia Franchisees during the 2015 and 2017 offers and sales of franchises, the Division alleges that regulatory oversight was circumvented.

Based on the investigation, the Division alleges the Defendant violated § 13.1-560 of the Act by selling or offering to sell franchises in Virginia without being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563 of the Act by failing to provide the Virginia Franchisees with properly cleared FDDs in conjunction with the offer and sale of the franchises.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant, neither admits nor denies the allegations made herein, but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Three Thousand Five Hundred Dollars (\$3,500) to defray the costs of investigation.

(2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Twenty Thousand Dollars (\$20,000) in monetary penalties.

(3) The Defendant will provide a copy of this Order to the Virginia Franchisees within thirty (30) days of the entry of this Order.

(5) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Critter Control, Inc., 2170 Piedmont Road NE, Atlanta, Georgia 30324, Sean P. Fogarty,
Esquire, Arnall Golden Gregory, LLP, 171 17th Street NW, Suite 2100, Atlanta, Georgia 30363;
and a copy shall be delivered to the Commission's Office of General Counsel and Division of
Securities and Retail Franchising.

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Defendant

ADMISSION AND CONSENT

Critter Control, Inc. ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, without admitting the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

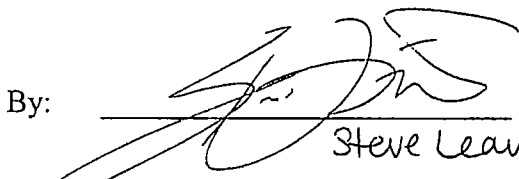
The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Critter Control, Inc.

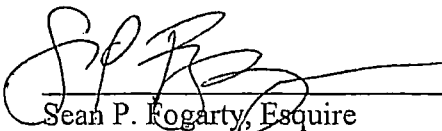
Date: 12-19-17

By: _____

Its: _____


Steve Leavitt
President

Seen by:


Sean P. Fogarty, Esquire